

This Congress has passed influential legislation that provides significant tax cuts to support our small businesses-the economic engine for job growth. Here are eight tax cuts enacted by the 111th Congress and signed into law by President Obama, over the past two years.

- **Provide a payroll tax holiday for businesses that hire unemployed workers and an income tax credit of \$1,000 for businesses that retain these employees.** (According to the Treasury Department, between February and June 2010, businesses had hired 5.6 million workers who had been unemployed for 8 weeks or longer, making those businesses eligible for HIRE Act tax exemptions and credits.) (HIRE Act, PL 111-147)

- **Effective January 1, 2010, provide \$40 billion in tax credits for small businesses to help them offer employee health insurance coverage – if they choose to do so.** These tax credits will cover a portion of the premium costs for their employees' coverage. More than 4 million small businesses are eligible for these credits. (Affordable Care Act, PL 111-148)

- **Allow businesses to use net operating losses from 2008 or 2009 to offset profits from five previous years,** up from two years. (Worker, Homeownership and Business Assistance Act, PL 111-92)

- **Spur small business investment by providing enhanced small business expensing,** doubling the amount small businesses can immediately write off their taxes for capital investments and purchases of new equipment made in 2009. (Recovery Act, PL 111-5)
Extends the enhanced small business expensing provisions for investments and purchases

made in 2010. (HIRE Act, PL 111-147)

- **Help businesses quickly recover costs of new capital investments by providing increased bonus depreciation for businesses that made investments in new plants and equipment in 2009.** (Recovery Act, PL 111-5)

- **Spur investments in small businesses by providing an exclusion of 75 percent (up from 50 percent) of capital gains from taxes for investors in small businesses** who buy stock (in 2009 and 2010) and hold it for more than five years. (Recovery Act, PL 111-5)

- **Reduce the required estimated tax payments for certain small businesses in 2009.** (Recovery Act, PL 111-5)

- **Provide tax relief for taxable corporations converting into S corporations in 2009 and 2010** by reducing the built-in gains holding period from 10 years to 7 years (with gains held for the holding period exempt from tax). (Recovery Act, PL 111-5)